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REA PRESS DIGEST

August 9, 1948

TAKING ELECTRICITY TO RURAL AMERICA APPROACHES PRACTICAL COMPLETION, Kewaunee (Wis.) Enterprise, June 10---The job of taking electricity to rural America is nearing practical completion it was announced by Charles E. Oakes, president, Edison Electric Institute.

"Rural electrification will be practically complete in 1951," Mr. Oakes said. "Work now in progress or definitely planned will connect an additional 1,330,000 rural dwellers to power lines by the end of that year. Most of these dwellings are on farms..."

THE ELECTRICAL WEEK, Electrical World, June 26---Rural electrification isn't nearly as complete as some figures indicate. To give all Americans the same high standard of living, over 50 million acres of land must be put into production.

MANY REA PROBLEMS REMAIN, STEDMAN TELLS BADGER AUDIENCE, St. Paul Pioneer Press, May 29---Baldwin, Wis.---Thorny troubles are concealed among the now seemingly rosy prospects of rural electrification, Alfred D. Stedman, associate editor of the St. Paul Pioneer Press and Dispatch, told a St. Croix County REA meeting...

A warning not to accept unthinkingly the optimistic predictions from the private power industry that rural electrification will be practically completed by this or that early date was sounded by the St. Paul editor. The farm power problem will be with us for a long time to come, he asserted.

Three big sides to that problem were cited by him...

First...the very liberality of Congress...in providing 800 million dollars for REA loans...imposes a special responsibility on REA co-ops to be businesslike and efficient in making investment in new construction, so that it will be economical enough to pay its way.

Second, about one-third of the country's farms are not connected with electric lines...

The third side of the problem Stedman described as being to provide sources of power adequate for rapidly growing farm needs.

"The whole farm electrification situation isn't met just by connecting farms," Stedman asserted. "Much of the bigger part of it in a large part of the country is to provide adequate current to those already connected, as the severe and widespread farm power shortage shows."

MISSOURI LEADING IN REA REQUESTS, New York Times, July 9, 1948---(AP)
Missouri has more applications on file for rural electrification loans this fiscal year than any other State, the Rural Electrification Administration said today.

Furthermore, it said, that State's REA cooperatives received \$28,863,842, the largest amount lent during the year ended on June 30. During April, May, and June it received loan approvals of \$12,580,000, which REA said was more than in any other State in any three-month period.

The State, REA said, now is in second place in the total amount of loans approved for rural electrification projects, with \$87,444,288 since formation of REA. Texas is in top place with loans totaling \$114,458,000.

On file or in process of filing now from forty-two agencies in Missouri are applications totaling \$39,777,000.

REA said it has on file or in process of filing from all over the country applications totaling \$358,000,000. It expects additional applications at increased rates as the year passes. Available, it said, is about \$500,000,000 in authorizations to meet applications which are expected to exceed that amount. "Applications are coming in faster than we can handle them," an official said.

Missouri was reported to have only a few more than half of its 243,000 farms electrified. A year ago only 49.2 per cent had electricity, but REA estimated that some 125,000 farms now have electricity.

Thirty-four rural electric organizations in Kansas have asked for or indicated intention of applying for loans totaling \$14,750,000 for rural electrification this fiscal year. The REA said this amount compared with loans totaling \$9,519,700 in the year ended June 30 and \$12,217,500 for the preceding year. Since 1935, when REA started operation, Kansas has obtained loans totaling \$45,630,360. About one-half of the State's farms now are electrified, it is estimated. One year ago 41.7 per cent had electricity.

In Oklahoma twenty-two cooperatives have filed or have in process applications for loans totaling \$8,998,000 from this fiscal year's funds. Reports by the REA show that loans approved for Oklahoma in the last year amounted to \$12,173,100. Since 1935, loans of \$45,324,282 have been made in the State. Just about half of the farms there are electrified, it was estimated.

GOING FORWARD WITH REA, Editorial Greensboro Daily News, July 20---

Further evidence of how North Carolina is going forward materially and socially is given in official revelation of the extent to which rural electrification expanded in the State during the fiscal year ending June 30.

During the 12 months loans totaling \$9,369,000 were made to Tar Heel electric cooperatives. This sum is estimated as sufficient to finance 3,303 miles of new lines and to bring electricity to 13,553 more North Carolina farms. What we particularly like about the expansion is that it reflects local leadership, vision and determination to better rural North Carolina's lot. These farm residents, joining in their own organization and with the sort of government-private interest cooperation which is getting results, are not asking anybody to help them; they are helping themselves. It is loans that they are getting and you may rest assured that those loans will be paid.

What these additional lines will mean in labor-saving devices and machinery on 13,553 farms, in added earning power through improved and cheaper operating methods, in the furtherance of diversification, in advancement of living at home, and in higher living standards generally should not have to be enumerated...

Here is part of the new deal which you may rest assured will continue and which even the diehards have come to accept as the great blessing and contribution which it manifestly is to the State, its citizenry and its business and social structure.

MORE LIGHT ON GEORGIA FARMS, Editorial in the Atlanta Constitution, June 10---Georgia ranks third in the South and 11th in the nation in the number of electrified farms, according to a survey recently completed.

Only Texas and North Carolina have more farms with power available in the South. And Georgia's rural electrification program is growing at a much faster pace than most other States.

Our progress in this important field is, of course, encouraging. But we must continue our efforts until every farm in the State is electrified--and until every farm with electricity has the labor-saving devices to make full use of it.

RURAL ELECTRIC OFFICE PLANNED, The Spokesman-Review, June 17, 1948---The rural electrification administration will open its first and only branch office in Spokane, July 1, it was announced yesterday.

E. Guy Keffer, in charge of the REA's region 9 for the last six years, will head the new office, which will be located on the fourth floor of the Title Building.

The office, first to be opened by the REA outside of Washington, is being established here because of the dense volume of business done in the far west...

Keffer will leave for Butte Saturday to confer with western REA officials and will come to Spokane later this month... In all dealings with the Bonneville power administration and other federal agencies, Mr. Keffer will serve as representative for REA headquarters.

Mr. Keffer...also will act as consultant and adviser to the rural electrification administrator on matters of policy and planning in this district.

CLEBURNE RADIO CARS AID IN RESTORING ORDER IN TORNADO-STRICKEN MCKINNEY, Cleburne (Tex.) Times-Review, May 4---Still dazed from the horror of a sudden and terrific North Texas tornado this Collin County seat (McKinney, Tex.) awoke this morning to face a wide area of splintered homes and wrecked buildings...

Cleburne had its part in restoring order...This was made possible by the super-efficient mobile radio units of the Johnson County Electric Cooperative under the direction of Manager Truett Bailey.

The radio units, four in all, were the subject of much favorable and wondering comment as the dark hours before the dawn began to wane. The units, which afforded the only communication throughout the city during the night, were the only ones at the scene.

(Co-op line crewmen) stuck to their posts throughout the night, dispatching Salvation Army and other groups to parts of the wrecked city where they were needed most...

(Editor's Note: These two-way radio communication systems have been valuable in other disaster areas in the Midwest and Far West during recent months. Recently an Oklahoma co-op's radio system was the only communication system in operation for a 24-hour period in a flash-flood area.)

VERDE ELECTRIC CO-OP IS RULED PUBLIC SERVICE, ARIZONA Republic, (July 15, 1948---) Prescott, July 14---Judge W. E. Patterson of Yavapai County Superior Court ruled today the Verde Electric Co-Operative, Inc., is a public service corporation and therefore subject to Arizona regulatory laws.

The court also ruled the franchise granted Verde Electric by the board of supervisors to occupy highways with its power lines is invalid and ordered the cooperative be restrained from constructing transmission lines in the areas described in the injunction suit brought by the Arizona Power Company.

"In many instances," the decision pointed out, "the lines of the defendant co-op parallel those of the plaintiff as well as crossing the plaintiff's lines. There can be no question but what the activities of the defendant co-op have in many instances invaded the field being served by the plaintiff."

Judge Patterson held the Verde organization is not in a position to receive a franchise from the county, citing the State constitution, the law requiring public service corporations to obtain certificates of convenience and necessity and a 1947 statute adopted by the State legislature under which the Verde Electric Co-Operative, Inc., "has not seen fit to qualify" as an electric co-operative.

SPEAKING OF TAXES---PERSONAL PROPERTY PAYERS IN RED LAKE, Red Lake Falls (Minn.) Gazette,---Did someone suggest taxes as a topic of conversation?

...This week the Gazette brings to county taxpayers the list of what city, village and rural residents must pay in personal property taxes...

The list reveals that the Red Lake Electric Cooperative is the largest personal property taxpayer in Red Lake County with a total tax of \$3,141.32. Smith Paper is second...The Northern States Power Co. is third with a tax of \$1,585.42...

BUSIEST YEAR PREDICTED BY CHIEF OF REA, The Roanoke (Va.) World-News, June 14---The REA will have its busiest year in history during the fiscal year of 1949...

Claude R. Wickard, Administrator of REA, predicted this increase of activity this morning at the opening session of a four-day conference for the body's field representatives...

Judging by applications for electricity on hand and by the increased appropriations from Congress, REA has a difficult task ahead, he said. "The purpose of this conference is to discuss and plan how, within the limits of REA personnel, we can be of most assistance to these borrowers."

Mr. Wickard said he expected a slight increase in personnel but emphasized that each staff member would have to take on an added burden.

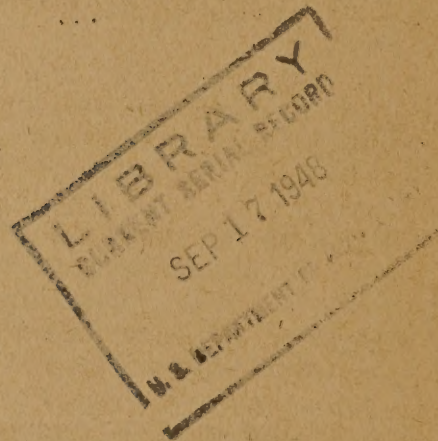
"We have on hand at present approximately \$360,000,000 of loan applications. We shall have available to meet these requests and others...approximately \$500,000,000." Mr. Wickard pointed out that REA is growing by leaps and bounds and now has almost twice as much money available for loans than ever before.

REA-financed systems are connecting about 1,000 new consumers every day, he said...

It will be necessary during the coming year for the borrowers to take over every responsibility and every detail they can without jeopardizing the security of the loan, the welfare of the borrower and the full development of the REA program, he warned...

A. W. Gerth, head of the applications and loans branch, said he anticipated the processing of over 1,100 loan applications in (fiscal) 1949.

"What can be accomplished is uncertain at the present because of the high cost of materials," he said. "Our staff will be limited so we will have to take the applications that are in the best order first and table the others for a while."



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September 29, 1948

M. F. A. HEARS WICKARD ATTACK PRIVATE POWER FIRMS' TACTICS, The Columbia Missourian, Columbia, Mo., Aug. 5, 1948---Claude R. Wickard, Rural Electrification administrator, criticized the "monopolistic tactics" of commercial power companies in a speech this afternoon before the 30th annual convention of the Missouri Farmers Association in Brewer Field House...

"Those who have had the responsibility of serving rural people in the past have flagrantly failed to carry out that responsibility," Mr. Wickard said.

Nearly every contract offered by these power companies to REA cooperatives in Missouri today contain some kind of objectionable restriction, he said.

Some of them, he explained, make impossible quick service at a reasonable cost, limiting the amount of power which the companies give to the cooperatives, or restricting the amount of electricity which may be bought by their members.

"Some of the companies," he added, "even demand that the cooperatives turn over the large users to the power companies and even let the power companies use the co-op lines to serve the large users."

These restrictive provisions threaten REA expansion and deny the consumers the benefits of its services, he said. The provision favoring large users forces small industries outside the cooperative's territory and prevents area development.

One of the greatest problems facing the Missouri co-ops, Mr. Wickard continued, is that of getting sufficient power for its members.

He cited a study which indicated that power requirements are expected to grow greatly. It shows the seriousness of the problem of power supply in Missouri, he added.

"The power companies have admitted many times," he said, "that there is a power shortage in this State. The remarkable thing is that they oppose REA cooperatives' efforts to find adequate power sources."

The power companies have opposed, too, loans by the REA for two generation plants, Mr. Wickard said, because they say they will be able to supply the needs "sometime in the future."

Mr. Wickard explained that he thinks the answer to the companies' opposition to REA co-ops "lies in the fact that they do not like the competition that comes from REA cooperatives, the kind of competition so necessary in our free enterprise system."

ATTACK BY CO-OPS ANSWERED BY REA, New York Times, Sept. 5---(By John P. Callahan) The Rural Electrification Administration struck back at its critics yesterday with accusations of "ingenious blending of facts and distortions" after issuance of a study by officials of REA electric cooperatives in Minnesota, North Dakota and Wisconsin in which that Federal agency was charged with inefficient financial operations.

The study, which covered operations of three rural power cooperatives in the six years through 1946, points out that the generating systems of the cooperatives were constructed with \$11,285,061 of public funds, advanced through the REA, but that only \$256,606, or 2.3 percent of the funds, has been repaid, despite the fact that the plants have been in operation for more than five years.

If such funds had been used for construction of electric lines, rather than for generating systems, more than 30,000 additional farms in the tri-state area would now have electric service, according to the study. Presumably, if the plants had not been constructed, the power would have been purchased by the "co-ops" from private power companies.

An attack also was made on the issue of power costs. The actual full cost of producing and transmitting the power to member cooperatives during the six-year period was 1.52 cents a kilowatt hour. However, the report continued, the average price for the power was 1.31 cents a kilowatt hour. Thus, in order to "break even" and cover ultimate repayment or depreciation costs, such rates would have had to be increased 16 percent.

"As a consequence of the inadequate revenue from member cooperatives, the generating cooperatives have incurred a deficiency, or direct loss, of \$839,080," the report charged.

Contrary to the usually pro-public power attitude of farmer or rural electric "co-ops," the report cited a comparison of power costs in the area with those of private utilities. "If the power requirements of member cooperatives had been purchased from utility companies at rates prevailing during this same (six-year) period, the average charge would have been 1.16 cents a kilowatt hour," or 15 cents less, it was asserted.

In a summary, the report declared that the ultimate loss incurred by the generating cooperatives and their members from construction and operation of the generating systems was \$1,425,807. "In other words the cost to generate has exceeded the price at which energy could have been purchased by 30 percent," the report concluded.

Countering all of these contentions, George W. Haggard, assistant administrator of the REA, said the study was "very similar to propaganda material, with later figures added, that utility

industry spokesmen presented before a Congressional committee in 1945 when opposing rural electrification."

He described the report as unreliable and false, and advanced two reasons for REA approval of loans to finance construction of the three generating systems: 1--- There was not enough power available in the areas the cooperatives serve to meet the farmers' needs and "this is even more evident today." 2--- Before the loans were approved, private power companies in the area "refused to serve distributing co-ops for less than at rates averaging about 1.8 cents per kilowatt hour. Such rates are exorbitant."...

LEADERS ASSAIL 'DISTORTED' REPORT, St. Paul Pioneer Press, Sept. 12--- Rural electric cooperative leaders from Wisconsin, Minnesota and North Dakota, meeting in St. Paul Saturday, issued a statement assailing as "distorted" and "biased" an attack upon the three power generation cooperatives in their areas recently published in the Minnesota Farm Bureau News.

The three co-ops attacked are Dairyland Power cooperative of La Crosse, Wis., the Rural Cooperative Power association of Maple Lake, Minn., and the Minkota Power co-op. of Grand Forks, N. D.

A statement issued by the presidents of the three power cooperatives declared: "These co-ops have meant savings of millions of dollars to the farmers of the three states involved and to the nation as a whole."

The "story" referred to at the meeting which was held in the Lowry hotel, was made by a committee consisting of a power company's representative, a leader of the Minnesota Municipal Utilities association, and officials of three individual Minnesota distribution cooperatives, none of which buys power from the power generation co-ops attacked. The study was published and supported by the Minnesota Farm Bureau News.

"The so-called 'study' is no study at all," officials of the three power cooperatives declared. "It is sheer propaganda made by a self-appointed 'committee' and does not represent the rank-and-file views of rural electric co-op members or leaders in the five-state area affected."

"In their effort to build up a fictitious picture of high-cost generation, the authors of this attack on farmer-owned generating plants not only charged an unwarranted rate for depreciation, but applied it upon nondepreciating property such as money in the bank, land, and plants under construction.

"A further distortion made by this committee results from their attempt to compare incremental rates charged by power companies to distribution co-ops, where the co-op must bear the cost of building transmission lines and substations to get the power from the company's source to where it is needed, with rates charged by the power cooperatives when they deliver power right to where the distribution co-ops need it."

The officials pointed out that the "study" committee omitted 1947 operating figures from their "study" although the figures were obtainable.

"It is significant," the co-op leaders stated, "that during 1947 the co-ops were materially improving the excellent operating records that were possible as soon as wartime interruptions and constructions difficulties were eased."

The power co-op officials highlighted the contributions made by the power co-ops to the areas they serve by listing six examples:

"1. The power co-ops have brought down power rates so that members of the co-ops alone have saved \$2,500,000, based on power rates in effect and quoted to rural electric cooperatives prior to the inauguration of the power co-ops.

"2. In view of the present serious shortage of power generating capacity, we believe REA has been too conservative in making loans for power generation. Nevertheless, these loans, for generation, although totaling only 6 percent of all REA loans that have been made, have played a prominent part in lowering the rates for rural electric cooperatives all over the country, accounting for savings to farmers that run into many millions of dollars.

"3. The power co-ops have been and are supplying electric power that could be obtained in no other way. Power is scarce, and even the addition of the millions of kilowatts produced by the power co-ops is inadequate to meet farmers' expanding needs for electricity.

"4. Commercial power companies in all street states have been forced to resort to brownouts and one has purchased power from Dairyland Power cooperative, because they cannot even supply their present customers. Where would the 78,500 electrified farms served by these generating co-ops get their electricity if these power co-ops were not in existence?

"5. The power co-ops are sound business concerns, paying back on schedule to the Government the money borrowed to finance the construction of their generating plants and transmission lines. The Federal Government has no sounder loan security than the generating plants of these cooperatives, since every kilowatt generated is in great demand and will be for a long time.

"6. Power is being and always will be made available to the cooperative members at cost. Based on the volume involved, there is no question of the power co-ops' ability to build and operate generation facilities which will enable them to produce and distribute the large blocks of electric power required in the area at a cost lower than that of any power company."

Representatives of the rural electric co-ops who met in St. Paul include O. N. Gravegaard, Hamick, Minn., president, Ed Walters, manager, and Harold LeVander, attorney, Maple Lake Electric co-op; E. J. Stoneman, Platteville, Wis., president of Dairyland; J. M. Nelson, Willmar, Minn., director of Rural Co-op Power association; Einar Johnson, Lakota, N. D., Minkota Attorney; Floyd E. Wheeler, Madison, Dairyland attorney; John Madgett, La Crosse, Dairyland manager; Harry A. Nelson, Grand Forks, N. D., Minkota president, and Andrew L. Freeman, Grand Forks, Minkota manager.

TRUMAN PROMISES TO CONTINUE RURAL ELECTRIFICATION FIGHT, Washington Post, Sept. 17, 1948---President Truman, in a five-minute, off-the-cuff speech here last night, pledged to continue his fight for rural electrification "as long as I am President."

Mr. Truman, on eve of his departure for Des Moines to open his western campaign trip, "dropped in" briefly on a regional dinner at the Washington Hotel of 250 directors and managers of rural electric cooperatives.

He said confidently he had "some reason to believe" his tenure as President "will be continued for some time after January 20."

"I remember the terrific fight to prevent passage of the rural electrification law," the President told his listeners from nine Eastern Seaboard States.

He urged them to continue their "active expansion" to bring to every farm the tools and gadgets "to make life on the farm as attractive as it is in the city."

Referring to his trip to Des Moines where he will speak Saturday at a national plowing contest, the President recalled for his listeners, who are here for a two-day meeting of Region One of the National Rural Electric Cooperative Association, his own farm days.

He drew chuckles when he said he had told officials of the plowing contest that if they had any mules there, "I might try to plow a straight furrow myself." He added quickly: "I haven't had any experience with tractors."

The regional electric cooperative meeting, with representatives of 58 cooperative systems from nine seaboard states from Maine to North Carolina, will end this afternoon.

During the day, Executive Manager Clyde T. Ellis of the National Rural Electric Cooperative Association, warned members that private utilities have launched an all-out battle against the rural electric cooperatives.

POWER SHORTAGE IN CITY; INDUSTRY ASKED TO CUT USE, Chicago Tribune, Sept. 9---Demand for electric power in Chicago and the surrounding area yesterday exceeded the total generating capacity of the Commonwealth Edison system, forcing the company to step down the voltage on its lines and to issue an emergency call to 35 large industrial power users to cut their consumption temporarily.

It was the first time the company has had to ask customers to cut use of electricity because of lack of generating capacity. In most other larger industrial centers such power conservation steps had been taken earlier this year.

The step down in voltage, which reached a maximum of 10 percent at 11 a.m., caused electric lights to dim throughout the Chicago area and slowed electric drive motors. The dimming of lights was not noticeable to most people. Elevators in downtown office buildings were affected by the voltage cut. In some buildings elevators were stopped between floors for short periods and service generally was slowed down.

A combination of factors caused the power shortage. Overcast skies increased the lighting load in the daytime hours. This additional demand occurred when the industrial use of power was near its peak and the company was unable to bring in power from other systems outside the Chicago area as it had done under similar conditions earlier this year...

The straining of electric power facilities east of Chicago was more severe than in this area...

Generating capacity of 200,000 kilowatts in the Edison system is out of service at the present time because of repair and overhauling of equipment which is done during the summer months. This equipment will be back in service by November but the seasonal increase in power use is expected to result in near capacity consumption at peak load hours throughout the winter months.

The peak use of power ordinarily occurs late in December when lighting demand overlaps in the late afternoon the tail end of the industrial and transportation load.

Spokesmen for the Edison company said the power situation will remain tight for several months...

Edison company spokesmen expressed the belief temporary shortages this winter can be met by cooperative conservation measures such as that used yesterday. Failure of a major generating unit, which is considered possible but not probable, would result in a more serious situation. In the event the shortage lasted more than a few hours it is likely that household users would be asked to cut their use of electricity.

Variations in weather conditions cause fluctuations in power demand up to 150,000 kilowatts, the engineers said. Had sunny weather prevailed east of Chicago yesterday the emergency could have been met without curtailing consumption of customers, it was explained....

CHALLENGE SENSED IN MISSOURI BASIN, New York Times, Aug. 1, 1948---A definite threat to the country's public power policy is shaping through a controversy over the construction of a dam near Helena, Mont., on the upper reaches of the Missouri River.

The dam involved is at Canyon Ferry, in the heart of the territory served by the Montana Power Company, which is considered second only to the Anaconda Copper Mining Company in its dominance of the State.

In its most recent appropriations measures, Congress placed a ban on the development of public power at the proposed Canyon Ferry project scheduled for construction by the Bureau of Reclamation for the Department of the Interior. Unless this prohibition can be reversed, a precedent may be established to upset the national power policy of permitting only public or semi-public agencies to distribute hydro-electric energy from Western plants built by the Federal Government.

William W. Warne, assistant secretary of the Interior Department, who was here this week for a meeting of the Missouri Basin Inter-Agency Committee, declared that the Canyon Ferry controversy was a threat to public power which might change the whole national policy.

Another responsible official, who declined to be quoted by name, said he had been informed by several members of Congress that they expected the private power interests would put forward a bill in the next Congress to follow up the advantage gained in the attack of public power at Canyon Ferry. He thought that the measure would seek to put private electric utilities on the same preferential basis for power generated in publicly built dams as public and semi-public distributors.

It is the current policy, by law, of the Federal Government to give preference to public distributors, such as cooperatives and municipalities. Federally owned transmission lines are essential to deliver the power, and the private power lobby, it is alleged, has sought to cripple public power through halting the erection of more public lines.

It was reported at the meeting of the Inter-Agency Committee here that private power interests were renewing activity in South Dakota to seek support for its attack on public power through personal contact with business men and public officials. Mr. Warne confirmed rumors that the Montana Power Company had made a memorandum proposal to the Department of the Interior to construct and operate a power plant at the Canyon Ferry project. This, it was said, was rejected by Secretary Krug. Public officials in Montana learned of the offer through the company's report to stockholders.

The company's offer called for paying \$300,000 a year to the Federal Government for 40 years for the privilege of building and operating the power plant at Canyon Ferry. The Bureau of Reclamation, however, would construct the dam. Plans of the bureau provide for the dam and a 50,000 kilowatt power plant at a cost of \$25,282,000.

Mr. Warne declared that "under the Montana Power Company's idea, the private power interest would not stop at their old idea of getting power from the public plants at the bus bar (the link between the generating and distributing systems) but they would go straight back to the falling water itself."

Gov. Sam C. Ford of Montana, who is a member of the Missouri Basin Inter-Agency Committee and chairman of the Missouri States Committee of Governors, felt that the Interior Department was unduly worried over the Congressional prohibition, and that the wording might be construed to permit at least a start on the power facilities.

The project is included in the overall Inter-Agency plan for harnessing the Missouri River Valley waterways and for developing the basin through flood control, navigation, electric power, irrigation and soil conservation.

A ban on power at Canyon Ferry might well cripple the Inter-Agency's plan for developing 2,000,000 kilowatts at its many multiple-purpose dams and reservoirs.

SEN. WILSON WOULD MAKE REA A SEPARATE AGENCY, Democrat and Leader, Davenport, Iowa, Aug. 17 (U.P. dispatch from Leland, Ia.)---The Rural Electrification Administration should be set up "as an independent agency, free from the agriculture department," U. S. Sen. George A. Wilson said Tuesday.

Wilson, Republican candidate for re-election in the November election, spoke at the Watermelon day festival here.

"As a separate agency of government, REA would be less affected by politics," he said. "There would be no change of REA leadership with every change of administration."

Wilson also said Congress should appropriate REA funds for "several years in advance," instead of making yearly appropriations as at present.

"This would let REA complete its construction work without interruption," he said.

AIRPLANE PATROLS HELP REA CO-OP SERVE FARM PATRONS, The Grand Rapids (Mich.) Press, June 26, 1948---(story from Newaygo, Mich.)---Rural patrons of O & A Electric (REA) co-operative are rarely "left in the dark" since a hedge-hopping airplane patrol has been on the job spotting possible troubles before they get out of hand for maintenance crews.

Even in the now rare emergency, when lightning smashes a transformer or a tree topples onto the wires, the air spotters can usually aid, cutting the "power out" period to a fraction of former time.

The utility co-operative began experimenting with the idea seriously about a year ago. John Keen, assistant manager, now claims it is a success on all counts--patrons get better service and the co-operative spends a lot less money from several angles.

Keen believes utilities with long rural lines to patrol will soon declare truck-mounted ground observers are obsolete for trouble spotting. He is pleased that O & A is pioneering in aerial observation east of the Mississippi river.

Aerial Observer Keith Krause says it is "easy" to spot potential sources of trouble at the tree skimming heights Arnold Sluiter, pilot and manager of Newaygo Air Service, Inc., flies on the patrols. Sluiter, a former Grand Rapids policeman, obtained special permission from the civil aeronautics administration for low level flights.

A contract between O & A and Newaygo Air Service, Inc., provides for five routine patrols of the 500 miles of multiple phase lines annually for a cost of \$544. O & A gets emergency service flights without charge as a sort of a bonus.

The co-operative serves 4,600 customers along 1,600 miles of line in 13 west Michigan counties. The patrol is needed only along the main circuit of 500 miles where a power failure can only be fixed in location as being somewhere within a 50-mile bracket. It would take a ground crew five hours to patrol the bracket; the plane does it in half an hour.

Assistant Manager Keen has figured the comparative costs at 36 cents per mile by air and 60 cents per mile by truck-ground observation.

More important for rural patrons is the fact that line failures have been slashed 90 percent because maintenance men learn of potential power "outages" and correct them before damage occurs.

When an emergency break does happen the air patrol often is instrumental in getting power back into farm homes hours earlier.

Minutes after a failure is reported, a plane and a maintenance truck can be on the way to the trouble area. Most times the breaks are spotted before the arrival of the truck. Messages relaying the trouble and location are parachuted to the truck crew.

A further refinement is in the making--two-way short wave radio communication between plane and truck awaits the okay of the federal communications commission.

RURAL CONSUMERS TO PAY MORE AFTER SEPT. 1, Consul Bluffs (Iowa) Nonpareil, Aug. 20---Rural electric customers of the Iowa Power and Light Company have been notified that after Sept. 1, a monthly charge of 75 cents will be added to their bills.

C. A. Leland, president of the utilities firm, was out of the city but a spokesman for the company said the new charge would affect roughly 10,000 rural customers in 16 central and southwest Iowa counties.

He stated that rural customers average about three to the mile, and that taxes paid by the company on its rural distribution system have been increased until now they are approximately \$37 a mile.

He explained that the 75-cents-a-month additional charge will total \$9 a year, and is intended to defray a part of the tax load on the company's farm distribution system.

The new charge, it was emphasized, was made necessary by higher construction costs, higher taxes, and mounting operating expenses.

TEN YEARS OF RURAL POWER....PLUS A GOOD FAIR, Editorial West Point (Neb.) Republican, Aug. 26, 1948---As one of the largest REA districts in the country, the Cuming County Rural Public Power district celebrates its tenth anniversary next Monday. As one of the largest county expositions, the twenty-sixth Cuming County Fair opens its gates next Sunday for a five day run.

Simultaneously, then, two great farm events occupy the attention of people in a prosperous, forward-looking community. The Republican is proud to be able to present these two special editions combined into one large newspaper in recognition of the two events.

Without a doubt, bringing of electricity to the farm has been the biggest advancement in rural life since plows first broke the earth's soil. Not only is life made more easy and more pleasant, but there are so many things that can be done which were never done before. Electric power has been put to more than 200 uses on the farm.

Then, to have an opportunity to display the progress of the farms and towns within the county at the annual show on the fair grounds is a fortunate situation. The Cuming County Fair knits together in one big pageant the evidence that this is really a fine area and that the people are industrious.

Next week is a time to pause and reflect upon the meaning and value of the progress that has been made during the past 10 years with the REA and the past 26 years with the fair. It means so much to all of us.

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REA PRESS DIGEST

October 29, 1948

ILLINOIS POWER SHORTAGE HITS INDUSTRY GROWTH, Decatur (Ill.) Herald, Sept. 10--(A.P. story from Springfield, Ill.) Claude R. Wickard, federal rural electrification administrator, said today a shortage of electric power in Illinois is putting a brake on industrial expansion.

"The power shortage is so severe that we're not adding any big industrial users in this area," Wickard said. "Present needs are being supplied with little to spare."

The REA Administrator, here for a meeting of the Assn. of Illinois Electric Cooperatives, told reporters "drastic steps would have to be taken to conserve power if anything goes wrong with major generating facilities."

Chairman John D. Biggs, of the Illinois Commerce Commission, told the association that electric energy was becoming a "tight commodity."

"We are now in a position where the requirements of the Illinois public for electricity and our ability to supply these requirements is becoming very narrow," Biggs said. "We have not arrived at an actual condition of shortage. Our utility companies have been able to carry their loads, and I believe all of the cooperatives have also been able to do so."

Wickard foresaw no important improvement in the power outlook "for a long time" despite an accumulation of utilities orders for generating equipment. He cited a National Security Resources Board report that generating facilities in Illinois and Eastern Missouri would be insufficient to supply peak loads expected in December.

Wickard told the meeting that REA's 500 million dollar appropriation available for the year ending next June 30 would not cover all loan applications from cooperatives.

NO SHORTAGE OF CURRENT SEEN IN S.D., The Daily Argus-Leader, Sioux Falls, S.D., (A.P. story from Huron, S.D.), Sept. 20--South Dakota should not have been in the list of plains states where REA officials said "critical power shortages are seriously hampering farm electrification programs."

That's the contention of the Greater South Dakota Association. The current GSDA bulletin declares that there is no electric power shortage in the state.

It said, "Not only have electric facilities been increased to take care of the expanding rural electrification programs, but also there is now surplus power to supply the needs of additional industry."

WICKARD PRAISES REA PROGRESS, Minneapolis (Minn.) Morning Tribune, Oct. 2--Private power companies are not doing their share in bringing electricity to outlying farm families, Claude R. Wickard, REA administrator, charged.

Wickard declared that of the 450,000 farmers over the nation getting electrical connections for the first time last (fiscal) year, 320,000 were on REA lines. He accused the power companies of hooking up only those farms on the fringes of urban areas and "not really getting out into the country."

That the REA, on the other hand, is out into the rural territory is shown by the fact that the number of farms per mile of REA line has dropped from 4.14 to 3.4 in the past year, Wickard said.

Wickard pointed out that there is a widespread shortage of power. REA progress has been bottlenecked by a shortage of copper and aluminum conductors, Wickard said. He criticized the manufacturers of those products, saying that they were supplying only 50 percent of their output to the REA when they should be giving REA 80 to 90 percent since REA is doing most of the work.

REA CHIEF RELATES FEDERAL ISSUE WITH PRIVATE CONCERNS, St. Paul (Minn.) Dispatch, Oct. 7--(By Alfred D. Stedman) Dedicating a new half-million-dollar farmers' generating plant here (Hawick), REA Administrator Claude R. Wickard tore the lid off a hot issue with the private power companies over the REA generating plant building program in the Minnesota-Wisconsin-Dakota region.

Before a crowd hailing the new 3,200 kilowatt plant that will aid 5,000 farmers, Wickard uncovered the government's own story of the fight centering on three generating cooperatives. They are the Rural Cooperative Power Assn., operating five plants, including the one opening here, and the Dairyland and Minnkota cooperatives.

Mincing no words, Wickard declared that farmers must have the right to acquire their own generating plants when necessary, and that the exercise of this right in the case of the three co-ops concerned has alleviated a severe power shortage that could not have been eased in any other way.

Today's dedication was made by Wickard the occasion for answering the recent report charging bad bookkeeping and a 30 percent excess in generating costs to the trio of generating cooperatives.

Wickard made these points:

First, REA's policy is not to lend if power can be bought economically, and co-ops should not have to pay too much for power.

Next, pursuant to that policy, REA co-ops tried to negotiate for private sources of power with two companies but these didn't have the power. Wickard cited that "one of these companies last year put on a campaign to ask REA cooperative members to reduce their use of electricity. The other company is today buying all the surplus power which the Dairyland cooperative has available temporarily at its Alma plant."

"The fact is," Wickard declared, "that many, many thousands of co-op members in this area would not be receiving electric service today if it had not been for the loans we made for generating plants in this area."

Finally as to the report accusing the generating plants of bad bookkeeping, and 30 percent excess costs, Wickard declared that the conclusion was wrong, being based on handpicked statistics that disregarded relevant factors.

"I am making the unqualified statement that in the long run... power is being obtained at a lower cost through the operation of each of these three cooperative power systems than if it were being purchased from power companies in this area," Wickard said...

LOW COST POWER, REA CO-OPS NEEDED IN STATES, Great Falls (Mont.) Tribune, Oct. 2--"We need low cost power and there is need for REA cooperatives to stay organized to obtain public power projects," Resner Blikken, of Opheim, president of the Montana State Rural Electric Cooperative Assn., told delegates at the opening session of the two-day convention...

In his annual report, Blikken said the Havre-Shelby transmission line is vitally important to the state as a link to connect Hungry Horse, Fort Peck, Garrison and Canyon Ferry Dams. "A strong state organization will make a voice which will be heard in obtaining favorable consideration of our needs," he said.

Enjoyment of electricity by farm families through the REA was explained by Dan P. Thurber. The more use made by the farm family through lights, heating, refrigeration and operation of farm equipment, the greater benefits from the setup, Thurber said.

RURAL ELECTRIFICATION DAY OBSERVED AT FAIR, Arkansas (Little Rock) Democrat, October 8--The livestock show declared today Rural Electrification Day out on the show grounds to give credit for the increased success of the show this year to the systems of rural electrification which have enabled farmers to adopt advanced farming methods.

There are no gadgets in the exhibition booths of the Arkansas Power and Light Company or in the Rural Electrification Association's booth, but the large display of modern, time-saving and profitable equipment now available for farm use is

a show in itself. Highlighted is the dairy and poultry electrical equipment, including such items as electric milkers, cream separators, water pumps, lighting and heating equipment...

The Rural Electrification Association is especially responsible for having made electricity available to the rural and less densely populated areas of the State. It is estimated that they now serve 69,000, according to Ed Thomas, their news editor.

Although the REA depends upon the AP&L for its power, it plans in the future to gain power sources of its own through new dams in Arkansas now under construction.

BOARD REFUSES TO CONSIDER SALE OF REA POWER DIVISION, Malheur Enterprise, Vale, Ore., Sept. 9--The board of directors of the Malheur Cooperative Electric Assn. at a meeting in Vale refused to consider the sale of the Hereford-Unity-Ironside division of the cooperative's electrical system to the Idaho Power Company.

Directors point out that they were representatives of all the members of the three-county co-op and could not give consideration to the sell-out requests of a small number of power-using members...

G. H. Bliesner, manager of the Co-op, said that members of the Co-op are circulating a petition in the H-U-I division to determine the exact number of members there who favor standing by the co-op. He called the vote at Unity "illegal" saying that a great many persons who voted were not bona fide members of the Co-op.

CO-OP MARKS TENTH YEAR, Grand Rapids (Mich.) Press, Oct. 7, Newaygo--Ten years of bringing light and power to rural homes in 13 West Michigan counties will be observed Friday by O&A Electric cooperative.

It was 10 years ago on Oct. 8, 1938, when the newly organized co-op sent its first electricity out through its power lines and into the homes of charter members.

President Carl Johnson is "pretty proud" of the cooperative's record and recalled the first days of the organization when it was setup "by a group of us who already had spent too much time of our lives without electricity when we turned on the first lights in our houses and barns."

Johnson said rural electrification had meant comfort and good business to farmers and surrounding townspeople.

REA CO-OP AIDS DAIRY FARMERS IN 3 COUNTIES, St. Louis Post-Dispatch, Sept. 10--(By F.A. Behymer, staff correspondent) A large part of the farmers in Macoupin, Jersey and Montgomery counties have it good because of the electricity that has been brought to them and is being brought to them by the M.J.M. Electric Cooperative, an REA borrower. Nearly 95 percent of the farms in the three counties will be receiving service at the end of this year.

The farmers have it good because in this dairy country, they have electrically operating milking machines and coolers, motors for grinding feed and operating machine shops. Housewives have refrigerators, washing machines, heaters and electric irons. Coming fast is water pumping equipment for house and barn.

The M.J.M. is a non-profit, farmer-owned co-op set up under the REA. Active management of the corporation is in the hands of A. C. Barnes, a graduate of Yale University and former banker, who has been with the co-op since January 1942.

It is the only one in the United States that last year won the plaque of the Employers' Mutual Insurance Co. for 50,000 man hours' work without a time-losing accident.

On the afternoon of Saturday Nov. 3, the co-op will have its annual meeting. There will be reports and entertainment and the farmers will be told how they can help keep the operating costs down:

By reading their own meters and making out their own bills.
By spotting defects along the line and reporting them so they can be repaired before outages occur.

REA-GREAT AMERICAN INSTITUTION, Editorial, The Wheaton (Minn.) Gazette, June 11--Laying great emphasis on the great American enterprise, the REA, was the annual meeting of the Traverse Electric Cooperative held here...

The REA has brought untold blessings to communities like ours, that are predominately agricultural. The REA has gone into these areas and proved to their bitter skeptics that it is possible to bring the conveniences and labor-saving features of electricity to the farm.

That the Traverse REA group has been successful is attested to in the remarkable progress they made year after year. Starting from nothing, the Traverse REA has developed until today they are bringing electricity to more than 1300 users, thereby making life more convenient and pleasant to that many families.

The directors and officers and manager of the Traverse REA are to be congratulated, and the entire community owes them a sincere vote of thanks for their efforts that have resulted in such a wholesome development in this area.

